

Pay for Performance: Efficiency 2.0

CPUC Energy Efficiency proceeding R.13-11-005

March 24th, 2015



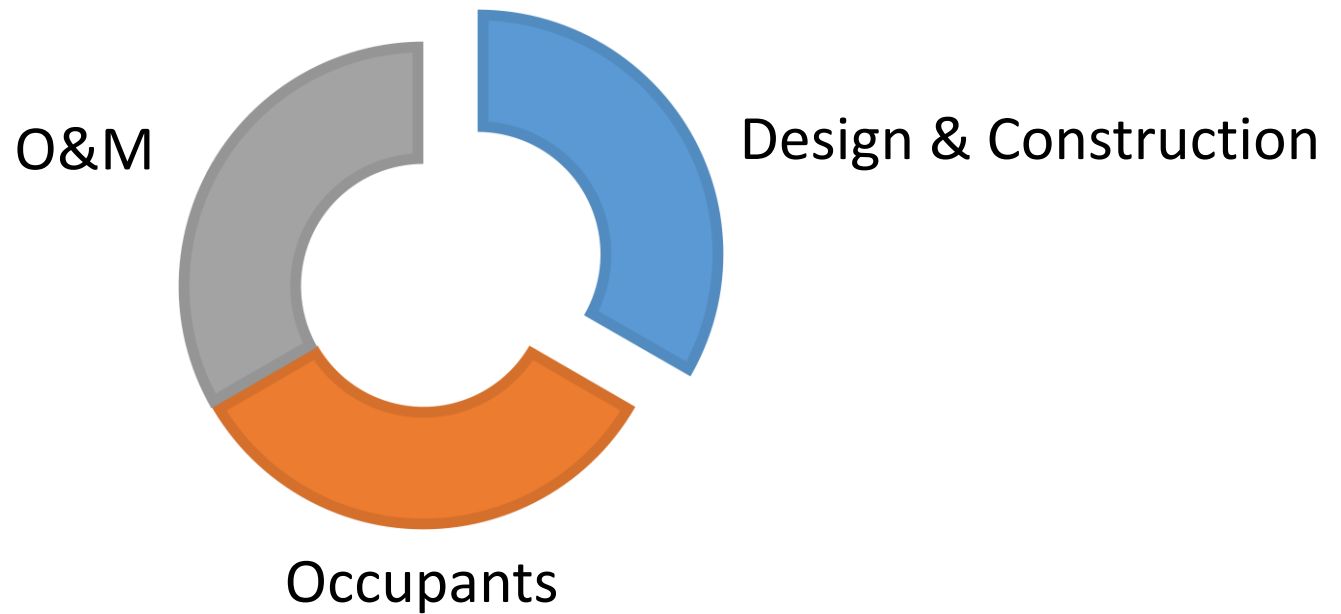
**GREENTECH
LEADERSHIP GROUP**

A satellite image of Earth showing a large, swirling cloud pattern over the ocean, with a thin blue line of the horizon at the top.

Governor Brown wants 50% ↑

AMI provides granular data

Low realization rates

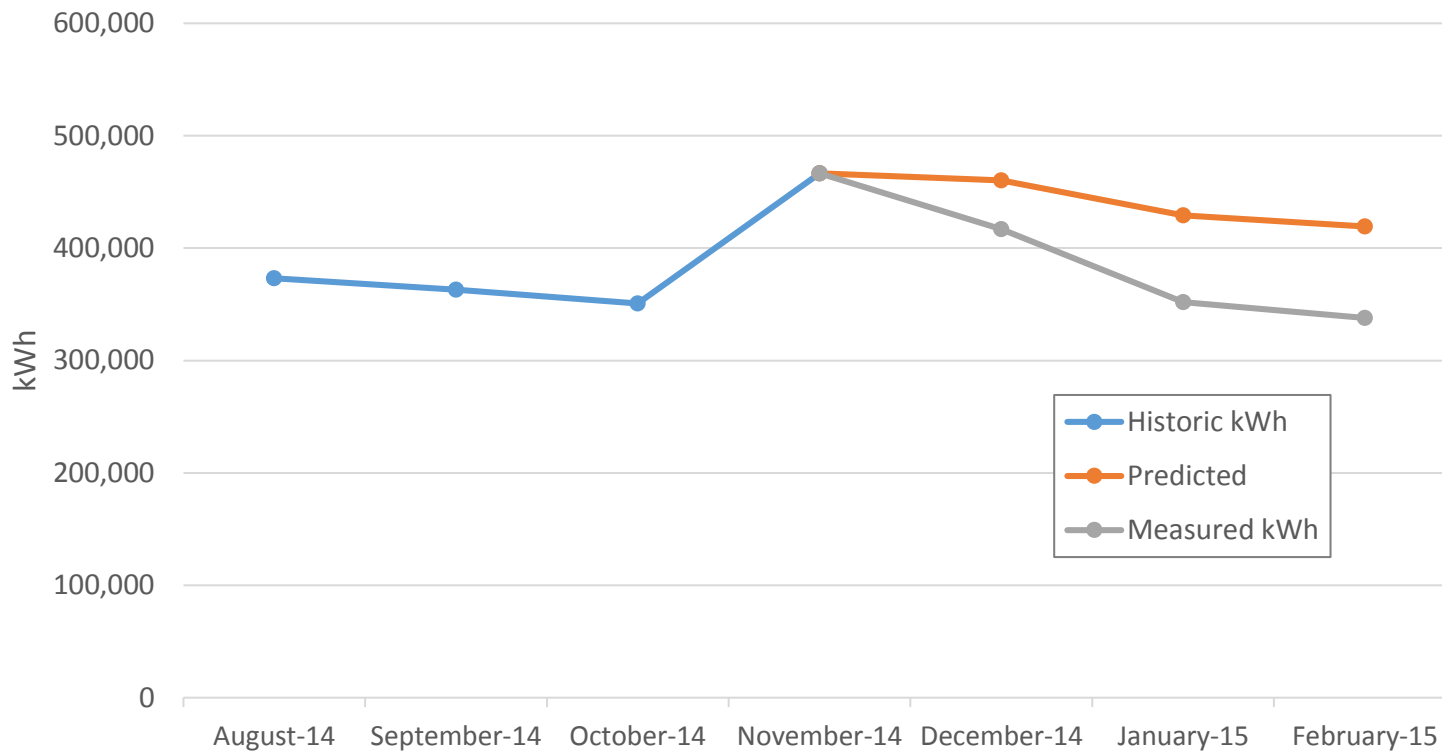


Pay for Performance

Attribute	Widget	Pay for Performance
Payment timing	Up front	On delivery
Risk holder	Utility/PA	Owner/contractor
Measure life & persistence	Complex	Irrelevant
Behavior, O&M savings potential	No value	Very valuable
Interactive effects	No value	Very valuable
Innovation	Constrained	Encouraged

It can be done...

Portland Office Tower



- Focuses on the outcome, not the widget
- Aligns EE services with policy goals
- De-risks public dollars

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